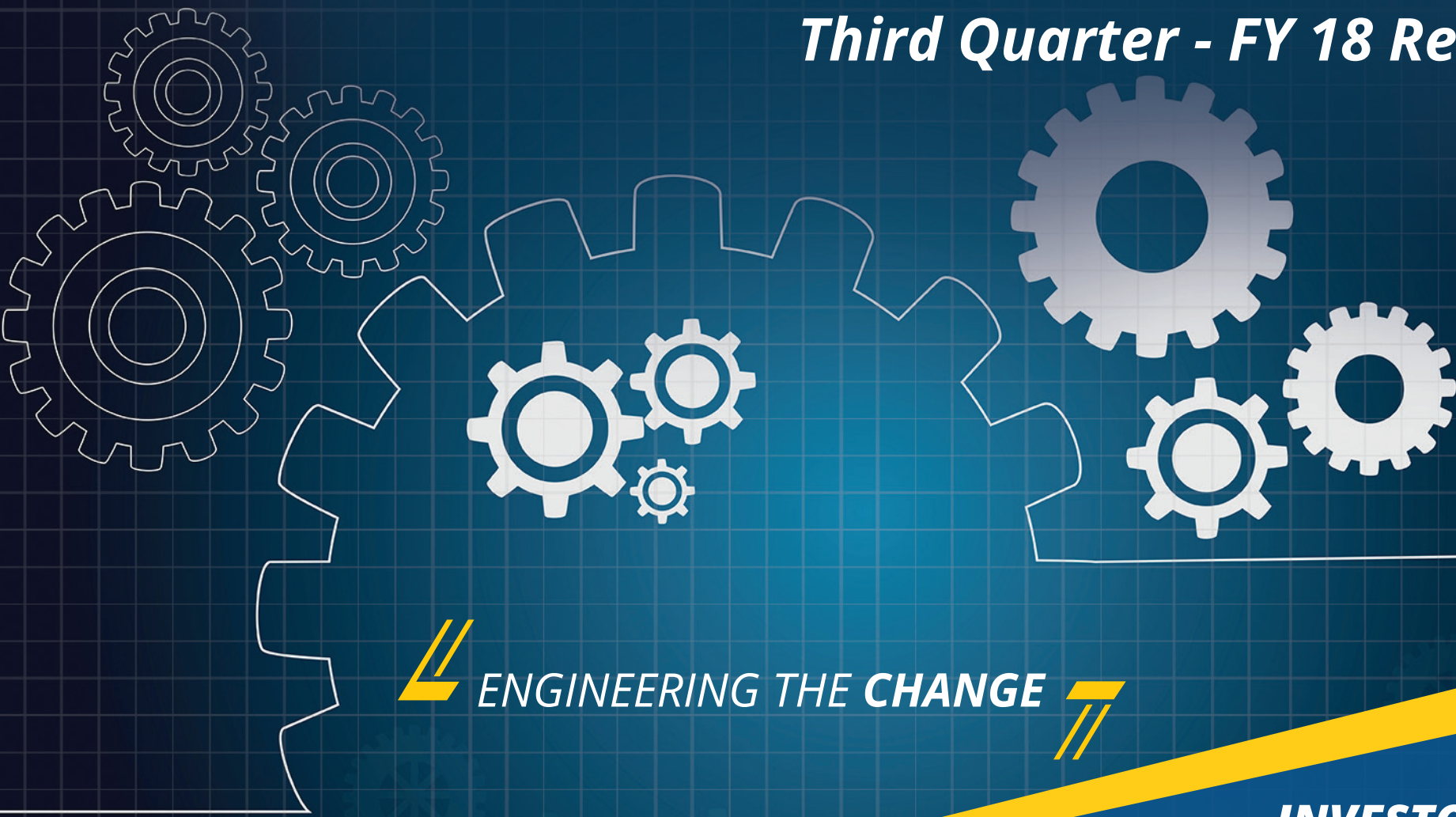


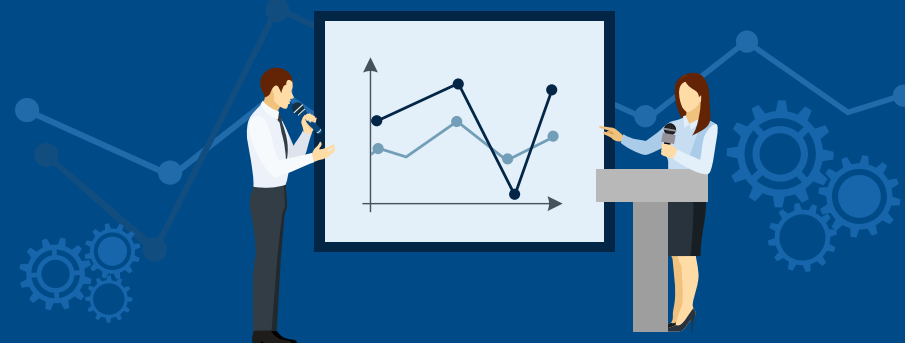
L&T Technology Services Limited **Third Quarter - FY 18 Results**



ENGINEERING THE CHANGE

INVESTOR RELEASE
Mumbai, India - January 23, 2018

FINANCIAL HIGHLIGHTS



REVENUE IN INR

- INR Revenue at **₹9,691 million** for the quarter; growth of **7.6% QoQ; 19.6% YoY**

REVENUE IN USD

- US Dollar Revenue at **\$151.0 million** for the quarter; revenue growth of **8.3% QoQ; 25.6% YoY**
- US Dollar Revenue growth in constant currency at **8.3% QoQ; 23.2% YoY**

PROFIT IN INR

- EBITDA at **₹1,485 million** for the quarter; EBITDA margin at **15.3%**
- Net Income at **₹1,263 million** for the quarter; up **2.9% QoQ** and **16.1% YoY**, Net margin at **13.0%**

SAFE HARBOUR STATEMENT

Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause our actual results to differ materially from those in such forward-looking statements. L&T Technology Services Limited (LTTs) does not undertake to update any forward-looking statement that may be made from time to time by us or on our behalf.

MESSAGE FROM THE CEO & MANAGING DIRECTOR



Our Q3 performance was strong with revenue growth of **25.6% YoY** to **\$151 million** and profits rising **16.1% YoY**. We delivered broad based growth with all verticals registering growth on an annual basis including Process Industry which has rebounded. We sustained EBTIDA margins at **15.3%** and managed to offset the impact of wage hikes to employees.



We remain optimistic on growth as we see a healthy demand environment. With the global economic momentum picking up, our clients are investing in new technologies at a rapid pace. In my discussions with customers, I see a clear trend of rising adoption of futuristic technologies to drive transformation. We are rightly positioned to capitalize on this opportunity with our engineering heritage, innovation DNA and investments in labs and emerging technologies. During the quarter LTTTS won several multi-million dollar deals and deal sizes in our pipeline are inching up. We are engaging with clients on exciting new projects in the areas of digital engineering, artificial intelligence for manufacturing, IIoT, next generation platform development and autonomous driving. Our revenues from digital engineering have been rising at a steady clip and now constitute **20%** of overall sales.

I am also happy to share that we have consolidated our position as the country's leading pure play engineering services company in Zinnov's annual ratings. Zinnov rated LTTTS in the leadership position across 10 verticals and as the clear leader in two verticals - industrial automation and construction & heavy machinery. LTTTS also showed a significant leap in its Embedded Technology capabilities vis-a-vis peers.

I would like to thank the investor and analyst community for their continued support and encouragement for the years ahead.



Dr. Keshab Panda

CEO & Managing Director
L&T Technology Services Limited

PERFORMANCE HIGHLIGHTS



KEY DEAL WINS

We won several multi million dollar deals from global customers across all our verticals. A few key deal wins are given below.

- LTTS won a \$50 million deal spanning over five years from a global aerospace electronic systems manufacturer and will now be the strategic supplier for ER&D services in North America.
- A US-based Tier 1 automotive company awarded LTTS an autonomous driving project which includes platform development and software & systems integration.
- In the Oil and Gas sector in Europe, LTTS secured a deal to digitize the customer's assets across multiple refineries to improve utilization, safety compliance and reliability of operations.
- LTTS won a large 3-year contract to develop a connectivity platform for one of the world's largest technology companies. The scope of the engagement also includes chip design and wireless LAN testing.
- A Japanese technology customer selected LTTS for building a AI based system leveraging self-learning and predictive analytics for enhancing plant operations.
- LTTS was awarded a 5 year multi-million dollar contract from a global aerospace customer for complete product regulatory testing, validation and certification of its electronic components.

FINANCIAL PERFORMANCE



INCOME STATEMENT

Amount in ₹ million

	Q3 FY18	Q2 FY18	Q3 FY17	QoQ Growth	YoY Growth
Revenue	9,691	9,006	8,104	7.6%	19.6%
Direct Costs	8,206	7,632	6,647	7.5%	23.5%
EBITDA	1,485	1,374	1,457	8.1%	1.9%
Depreciation & Amortisation	145	146	149	-1.3%	-2.9%
EBIT	1,340	1,228	1,308	9.1%	2.5%
Other Income, net	426	477	165	-10.8%	158.3%
Income tax expense	501	475	387	5.3%	29.7%
Net Income before Minority Interest	1,265	1,230	1,086	2.8%	16.4%
Net Income	1,263	1,227	1,087	2.9%	16.1%

	Q3 FY18	Q2 FY18	Q3 FY17
Margins (%)			
EBITDA Margin	15.3%	15.3%	18.0%
EBIT Margin	13.8%	13.6%	16.1%
Net Income Margin	13.0%	13.6%	13.4%
Earnings Per Share			
Basic	12.36	12.04	10.68
Diluted	12.00	11.67	10.26

Note: The figures are rounded off to the nearest million, percentages are based on absolute numbers

OPERATIONAL PERFORMANCE



USD REVENUE

	Q3 FY18	Q2 FY18	Q3 FY17	QoQ Growth	YoY Growth	In Constant Currency	
						QoQ Growth	YoY Growth
Revenue (mn)	151.0	139.3	120.2	8.3%	25.6%	8.3%	23.2%

REVENUE BY VERTICAL

	Q3 FY18	Q2 FY18	Q3 FY17	QoQ Growth	YoY Growth
Transportation	30.9%	32.3%	34.0%	3.7%	14.9%
Industrial Products	21.8%	23.6%	26.6%	-0.3%	2.9%
Telecom & Hi-tech	27.9%	24.3%	17.2%	24.8%	101.3%
Process Industry	12.7%	12.8%	15.5%	7.8%	3.1%
Medical Devices	6.7%	7.0%	6.7%	3.3%	25.1%

REVENUE BY GEOGRAPHY

	Q3 FY18	Q2 FY18	Q3 FY17	QoQ Growth	YoY Growth
North America	58.7%	60.8%	62.5%	4.3%	17.8%
Europe	17.2%	16.5%	19.2%	13.3%	12.3%
India	11.5%	10.5%	8.1%	20.5%	81.0%
Rest of the World	12.6%	12.2%	10.2%	11.3%	55.3%

REVENUE MIX

	Q3 FY18	Q2 FY18	Q3 FY17
Onsite	50.7%	50.8%	47.5%
Offshore	49.3%	49.2%	52.5%

REVENUE BY PROJECT TYPE

	Q3 FY18	Q2 FY18	Q3 FY17
Fixed Price	38.2%	33.2%	31.0%
Time and Material Contract	61.8%	66.8%	69.0%

CLIENT PROFILE

	Q3 FY18	Q2 FY18	Q3 FY17
Number of Active Clients	233	233	217
40 Million dollar +	1	0	0
30 Million dollar +	3	2	1
20 Million dollar +	4	4	4
10 Million dollar +	12	12	11
5 Million dollar +	30	28	29
1 Million dollar +	79	79	82

CLIENT CONTRIBUTION TO REVENUE

	Q3 FY18	Q2 FY18	Q3 FY17
Top 5 Clients	28.8%	26.8%	23.4%
Top 10 Clients	41.2%	39.8%	35.5%
Top 20 Clients	56.4%	54.9%	51.7%

UTILISATION

	Q3 FY18	Q2 FY18	Q3 FY17
Including Trainees	78.8%	76.1%	75.1%

EMPLOYEE STATISTICS

	Q3 FY18	Q2 FY18	Q3 FY17
Total Headcount	11,941	11,532	10,040
<i>Billable</i>	11,009	10,573	9,160
<i>Sales & Support</i>	932	959	880
Voluntary Attrition % (LTM)	13.2%	13.4%	14.0%

EXCHANGE RATE (USD/INR)

	Q3 FY18	Q2 FY18	Q3 FY17
Period Realised	64.19	64.64	67.44
Period Closing	63.88	65.29	67.92

AWARDS & RECOGNITIONS

Zinnov Zones 2017 Ratings - LTTS cements its position as a leader in overall ER&D Services

- LTTS rated in leadership position across 10 verticals and as overall leader in Product Engineering Services
- LTTS showed a significant jump in embedded capabilities

NelsonHall positions LTTS as IoT Services Leader

L&T Technology Services Limited has been positioned in the Leaders Category by independent global research firm, NelsonHall in its latest evaluation for Internet of Things (IoT) services providers. LTTS is the only global pure-play engineering services to be positioned in the Leaders Category.

OTHER HIGHLIGHTS

LTTS launches Center of Excellence in Israel - The LTTS Israel design center situated in Jerusalem, Israel will act as a global hub for developing advanced solutions in Video, ASIC design and Security. It will also offer the full scope of engineering services in the areas of Telecom, Semiconductors, Medical Devices, Automotive, IoT and Plant Engineering.

Just Code Hackathon: LTTS held an innovative technology hackathon nicknamed “Just Code” across six delivery centers in India and Israel, to enable employees to convert their ideas into demonstrable products. The hackathon drew a tremendous response with 112 PoCs created across major verticals and technologies including media processing and entertainment, cloud programming, sensor fusion, automation, machine learning and AI. The hackathon received further impetus with sponsorship from Tata Sky and Microsoft.

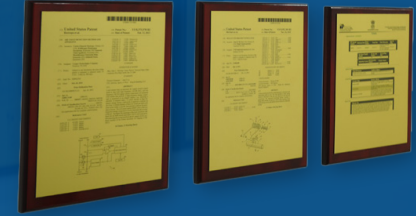


UniCon: L&T Technology Services was a partner at UniCon, a University Industry collaboration program hosted by Zinnov in Bangalore. LTTS chaired a panel discussion on University partnerships in which Professors from IISc and IIT Madras also participated and hosted a Masterclass on leveraging IoT for innovation and business transformation.



PATENTS

At the end of the third quarter, the patents portfolio of L&T Technology Services stood at **300** patents out of which **228** are co-authored with its customers and **72** are filed by LTTS.



CSR & DIVERSITY



As part of its social responsibility, LTTS undertook a number of CSR initiatives during the third quarter:

- LTTS hosted Times of India's Organ Donation Drive in its Bangalore campus to create awareness and inspire readers to pledge their organs. The event was broadcast live to around 9,000 employees of LTTS' India centres and garnered an encouraging response.
- Cleanliness drive in Mysuru - More than 140 LTTS volunteers spearheaded a cleanliness drive to spread awareness in the local community.
- LTTS Employees organized a special Sports Day for over 50 underprivileged school students in Navi Mumbai.
- L&T Technology Services launched Mini Science working models for 3800 underprivileged students in Navi Mumbai. The models showcase practical science applications for students to enrich their understanding in basic science and gain insights.



ABOUT L&T TECHNOLOGY SERVICES

L&T Technology Services Limited (LTTS) is a listed subsidiary of Larsen & Toubro Limited focused on Engineering and R&D (ER&D) services. We offer consultancy, design, development and testing services across the product and process development life cycle. Our customer base includes 52 Fortune 500 companies and 48 of the world's top ER&D companies, across industrial products, medical devices, transportation, telecom & hi-tech, and the process industries. Headquartered in India, we have around 12,000 employees spread across 15 global delivery centers, 28 global sales offices and 39 innovation labs in India as of December 31, 2017.



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